



# House of Representatives

General Assembly

**File No. 112**

January Session, 2015

House Bill No. 6397

*House of Representatives, March 19, 2015*

The Committee on Aging reported through REP. SERRA of the 33rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING RETROACTIVE MEDICAID FOR HOME-CARE CLIENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (h) of section 17b-342 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2015*):

4 (h) For purposes of this subsection, "penalty period" has the same  
5 meaning as provided in section 17b-261q. An individual who is  
6 otherwise eligible for services pursuant to this section shall, as a  
7 condition of participation in the program, apply for medical assistance  
8 benefits [pursuant to section 17b-260] when requested to do so by the  
9 department and shall accept such benefits if determined eligible. The  
10 Commissioner of Social Services, in accordance with 42 CFR 435.915,  
11 shall provide payments for Medicaid-eligible services under the  
12 medical assistance program retroactive not more than three months  
13 before the date an eligible person applied for such assistance, provided  
14 such applicant has not made a transfer of assets for less than fair

15 market value in the sixty months before applying. If the applicant has  
16 made such a transfer, the commissioner, in accordance with 42 USC  
17 1396p(c)(1)(D)(ii), shall begin any penalty period on the later of (1) the  
18 first day of the month during or after the date of the transfer that  
19 resulted in the penalty period, or (2) the date an otherwise eligible  
20 applicant applied for medical assistance and would have been  
21 receiving such assistance but for the imposition of a penalty period.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2015	17b-342(h)
-----------	--------------	------------

**AGE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
Social Services, Dept.	GF - Potential Cost	See Below	See Below

**Municipal Impact:** None

### **Explanation**

The bill will result in a cost to the Department of Social Services (DSS) associated with retroactive Medicaid payments for enrollees in the Connecticut Home Care Program for Elders (CHCPE). Eligible enrollees are those who are not subject to a penalty period as specified under the bill.

For purposes of an example, making retroactive payments for 57<sup>1</sup> individuals for the three months prior to their application would result in a cost of \$359,100. The net cost to the state under Medicaid would be \$179,000. This assumes an average monthly cost per enrollee of \$2,100; however, it should be noted that an individual's cost of care prior to entering the program could be higher or lower than the program's average. This also assumes the approval for such payments by the Centers for Medicare and Medicaid Services (CMS).

The cost described above could be reduced due to instituting a penalty period<sup>2</sup> associated with the improper transfer of assets. Actual

<sup>1</sup> Based on average monthly caseload data

<sup>2</sup> Penalty period refers to the time during which a person is ineligible for Medicaid due to a transfer of assets for less than fair market value for the purposes of obtaining Medicaid eligibility.

savings would be dependent upon 1) the number of applicants who made improper transfers, 2) the length of each individual's penalty period, and 3) the cost of care for the Medicaid recipient.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 6397*****AN ACT CONCERNING RETROACTIVE MEDICAID FOR HOME-CARE CLIENTS.*****SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner to provide, in accordance with federal regulations, retroactive assistance to participants in the Connecticut Home Care Program for Elders (CHCPE) for up to three months before the date of application. The bill applies to all Medicaid-eligible services under the program. In practice and under federal law, DSS already makes retroactive payments for certain other Medicaid-eligible services, including long-term care services.

The bill also requires the commissioner to enforce a penalty period before an applicant may receive assistance if he or she has transferred assets for less than fair market value in the 60 months before applying. In accordance with federal law, the penalty period starts on the later of the (1) first of the month during or after the penalized transfer occurred or (2) date the individual would have received services if not for the penalty.

The penalty period varies based on individual circumstances. In general, the penalty period (in months) is calculated by dividing the value of all assets transferred within the 60 months before application by the average monthly cost to a private patient of nursing facility services in the state or community.

EFFECTIVE DATE: July 1, 2015

**BACKGROUND*****Connecticut Home Care Program for Elders***

CHCPE is a Medicaid waiver and state-funded program that provides home- and community- based services for eligible individuals age 65 and older who are at risk of institutionalization. Services include care management, adult day care, homemaker services, transportation, meals-on-wheels, minor home modifications, and certain personal care and assisted living services.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 13 Nay 0 (03/05/2015)